



# City of NORFOLK

C: Dir., Office of Budget & Grants Management

To the Honorable Council  
City of Norfolk, Virginia

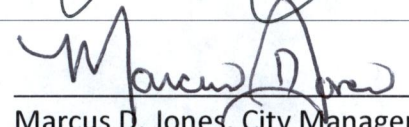
May 20, 2014

From: Sabrina Joy-Hogg, Assistant City Manager  
and Director of Budget and Grants  
Management

Subject: FY 2015 Operating Budget  
Ordinance

Reviewed:   
Wynter C. Benda, Assistant City Manager

Ward/Superward: Citywide

Approved:   
Marcus D. Jones, City Manager

Item Number: R-7

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description**

This agenda item includes an ordinance to approve and authorize the Fiscal Year 2015 operating financial plan for the City. The following table provides a breakdown of the operating plan by funds.

Fiscal Year (FY) 2015 Financial Plan	
Fund	Budget
General Fund	\$817,831,138
Enterprise Funds	131,354,377
Special Revenue Funds	59,104,682
Internal Service Fund	99,792,406
Annual Plan for HUD Block Grants	5,421,897
Land Acquisition/Revolving Fund	300,000
<b>Total Financial Plan</b>	<b>\$1,113,804,500</b>

IV. **Analysis**

This ordinance distributes General Fund and other operating funds in accordance with the City Manager's Proposed Budget and City Council's adjustments which includes the following:

1. Begins implementation of the three-year Attraction, Retention, Motivation and Development (ARMD) Initiative to attract and retain qualified employees which includes:

- Providing all General and Constitutional employees with at least a two percent salary increase by January 2015
  - Providing a step increase for sworn police, fire, and sheriff deputies
  - Providing at least a living wage to all permanent employees
2. Provides a one-time supplement to certain eligible retirees.
  3. Increases the cigarette tax five cents per pack of 20 cigarettes with proceeds supporting economic development related activities.
  4. Appropriates \$300,000 from the Land Acquisition/Revolving Fund Balance for additional school maintenance needs in the Capital Improvement Program.
  5. Increases Waste Management fees to help the service become self-sustaining and transitions the operations out of the General Fund into a Special Revenue Fund.
  6. Establishes Storm Water permit fees in accordance with new state environmental regulations with funding dedicated to supporting costs associated with storm water management site plan review and construction inspection.
  7. Increases the police academy court cost from \$1.00 to \$5.00 in support of Norfolk Police Academy.
  8. Supports the FY 2015 Community Development Block Grant program (CDBG), HOME Investment Partnership program (HOME) and the Emergency Solutions Grant program (ESG):

<b>FY 2015 Annual Plan for HUD Block Grants</b>	
<b>Program</b>	<b>Budget</b>
CDBG	\$4,136,824
HOME	958,639
ESG	326,434
Total	\$5,421,897

9. Modifies the Real Estate Tax Relief Program ("Program") for senior and disabled citizens beginning with the FY 2015 Program based on the recommendations the Administration presented to City Council during the March 4, 2014 Worksession and in the briefing provided after the first Budget Worksession on April 29, 2014. The changes include:
  - Removal of the interest of 3.5 percent on deferred taxes;
  - Freezing the assessment relief cap at \$203,386 (otherwise the cap would be \$201,843 in FY 2015);
  - Clarifying that relief provided to participants with incomes up to \$28,611 are not subject to proration; and
  - Removal of the September 30 deadline, and adding a provision to accept late filing by prior year participants due to demonstrated hardship.

**V. Financial Impact**

The budget ordinance totals \$1,113,804,500 from all funds and meets the Commonwealth's requirements for a balanced budget. See the above Analysis section for more detail.

**VI. Environmental**

The FY 2015 Budget supports the City Council priority of Environmental Sustainability.

**VII. Community Outreach/Notification**

Pursuant to the Code of Virginia and Norfolk City Charter, this agenda item requires a public hearing. As such, a public hearing notice was published in *The Virginian-Pilot* on April 29, 2014 and the public hearing itself was held on May 7, 2014.

**VIII. Board/Commission Action**

N/A

**IX. Coordination/Outreach**

This letter has been coordinated with the Office of Budget and Grants Management and the City Attorney's Office.

Form and Correctness Approval:

By Mary J. G. A.  
Office of the City Attorney

NORFOLK, VIRGINIA

Contents Approved:

By Sabrina J. Hogg  
DEPT. Budget and Grants Management

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

\$ 817,431,139.00 GF Various  
~~\$ 1,113,804,500.00~~ Total Account  
William M. Kelly 5/16/14  
 Director of Finance Date

**ORDINANCE No.**

AN ORDINANCE APPROPRIATING FUNDS FOR OPERATION OF THE CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015, APPROPRIATING \$300,000.00 FROM THE LAND ACQUISITION/REVOLVING FUND BALANCE, APPROPRIATING U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ENTITLEMENT GRANTS, AUTHORIZING SHORT-TERM EQUIPMENT FINANCING, PROVIDING A PAY SUPPLEMENT FOR CERTAIN ELIGIBLE RETIREES, AMENDING THE EXEMPTION AND DEFERRAL OF REAL ESTATE TAXES FOR ELDERLY AND DISABLED, INCREASING THE CIGARETTE TAX, INCREASING THE LOCAL ACADEMY COURT COST, AMENDING MEMBERS' MANDATORY RETIREMENT CONTRIBUTIONS, INCREASING REFUSE COLLECTION AND DISPOSAL FEES, ASSESSING VIRGINIA STORMWATER MANAGEMENT PROGRAM FEES AND REGULATING THE PAYMENT OF MONEY FROM THE CITY TREASURY.

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WHEREAS, the City Manager submitted to the Council a proposed annual budget for the city for the fiscal year beginning July 1, 2014 and ending June 30, 2015, which has been amended by the Council, and it is necessary to make appropriations sufficient to fund said budget and to regulate the payment of money from the city treasury; now, therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the amounts shown herein aggregating Eight Hundred Seventeen Million Eight

Hundred Thirty One Thousand One Hundred Thirty Eight Dollars (\$817,831,138.00) for the General Fund, Eighty One Million Three Hundred Eighty One Thousand Seven Hundred Dollars (\$81,381,700.00) for the Water Utility Fund, Twenty Eight Million Two Hundred Twenty Six Thousand Six Hundred Dollars (\$28,226,600.00) for the Wastewater Utility Fund, Fifteen Million Two Hundred Thirty Six Thousand Six Hundred Thirty Eight Dollars (\$15,236,638.00) for the Storm Water Utility Fund, Ninety Nine Million Seven Hundred Ninety Two Thousand Four Hundred Six Dollars (\$99,792,406.00) for the Internal Service Funds, Twenty One Million Seven Hundred Forty Six Thousand Seventy Seven Dollars (\$21,746,077.00) for the Parking Facilities Fund, Two Million Sixty Two Thousand Nine Hundred Twenty Six Dollars (\$2,062,926.00) for the Cemetery Services Fund, Six Million Seventy Four Thousand Five Hundred Seventy Six Dollars (\$6,074,576.00) for the Emergency Operations Center Fund, Seven Hundred Two Thousand Eight Hundred Five Dollars (\$702,805.00) for the Golf Operations Fund, Twenty Two Million Fifty Four Thousand Dollars (\$22,054,000.00) for the Waste Management Fund, Five Million Seven Hundred Twenty Seven Thousand Three Hundred Dollars (\$5,727,300.00) for the Public Amenities Fund, Five Million Five Hundred Thirty Nine Thousand Two Hundred Ninety Dollars (\$5,539,290.00) for the Tax Increment Financing Fund, One Million Seven Hundred Seven Thousand One Hundred Forty Seven Dollars (\$1,707,147.00) for the Towing and Storage Service Fund, or so much thereof as may be necessary, as set forth in the annual budget for the fiscal year July 1, 2014 - June 30, 2015, submitted by the City Manager and as amended by the Council and hereby adopted, are hereby appropriated, subject to the conditions hereinafter set forth in this ordinance, from the revenues of the city from all sources for the fiscal year July 1, 2014 - June 30, 2015, for the use of the several departments and funds established within the City Government, and for the purposes hereinafter set forth in said annual budget for the fiscal year July 1, 2014 - June 30, 2015 as follows:

Legislative	\$4,551,518
Executive	\$2,264,625
Department of Law	\$4,035,246
Constitutional Officers	\$54,308,241

Department of Finance	\$3,864,623
Department of Human Resources	\$3,271,777
Judicial	\$1,203,696
Department of Public Health	\$3,330,351
Department of Human Services	\$46,446,241
Department of Public Works	\$24,103,966
Recreation, Parks and Open Space	\$16,847,360
Norfolk Public Schools	\$317,618,431
Department of Libraries	\$9,850,533
Elections	\$661,520
Department of City Planning	\$4,615,334
Cultural Facilities, Arts, and Entertainment	\$5,666,941
Central Appropriations	\$17,067,237
Outside Agencies	\$42,528,352
Department of Police	\$65,217,042
Department of Fire-Rescue	\$39,890,780
Virginia Zoological Park	\$3,622,824
Debt Service	\$73,084,865
Office of Budget and Strategic Planning	\$1,550,315
Development	\$1,964,930
Communications and Technology	\$13,135,962
Office to End Homelessness	\$278,329
Neighborhood Development	\$3,189,860
General Services	\$22,864,529
National Maritime Center	\$4,834,999
Norfolk Community Services Board	\$25,960,711
Total Appropriations General Fund - Operating Budget	\$817,831,138

Water Utility Fund	\$81,381,700
Wastewater Utility Fund	\$28,226,600
Parking Facilities Fund	\$21,746,077
Storm Water Utility Fund	\$15,236,638
Internal Service Funds	\$99,792,406
Cemetery Services Fund	\$2,062,926
Emergency Operations Center Fund	\$6,074,576



Golf Operations Fund	\$702,805
Waste Management Fund	\$22,054,000
Public Amenities Fund	\$5,727,300
Tax Increment Financing Fund	\$5,539,290
Towing and Storage Service Fund	\$1,707,147

Section 2:- That unless otherwise specified by Council, all taxes and fees heretofore levied shall continue from year to year.

Section 3:- That the salaries and wages set forth in detail in said annual budget, including for the City Manager, as amended, and for offices and positions which are not embraced within said compensation plan are hereby authorized.

The positions, except where the number thereof is not under the control of the Council, set forth in said annual budget, as amended, shall be the maximum number of positions authorized for the various departments, divisions, bureaus and funds of the city during the fiscal year July 1, 2014 - June 30, 2015 and the number may be changed during said fiscal year as authorized by the Council or City Manager.

Unless the city's compensation plan provides otherwise, changes in personnel occurring during said fiscal year in classifications embraced within the city's compensation plans shall be administered by the City Manager in accordance with the regulations for the administration of the plans.

In the event any personnel authorized in the preceding year's annual budget and appropriations are notified of release due to a reduction in force, reorganizations or workforce downsizing or the staffing and organization redesign effort, such positions are hereby authorized to continue in existence until such time as adopted procedures relating to reductions in force or work force downsizing, or the staffing and organizational redesign effort are completed and implemented in accordance with its terms and conditions. The City Manager is hereby authorized to continue all benefits and salaries throughout the period of employment from appropriated funds for the positions aforesaid, notwithstanding that said positions may or

may not have been deleted in a department budget for the fiscal year July 1, 2014 - June 30, 2015.

The Council reserves the right to change at any time during said fiscal year the compensation, including pay supplements for constitutional officers, either before or after a change in basic salary is made by the State Compensation Board, and to abolish any office or position provided for in said annual budget, as amended, except such offices or positions as it may be prohibited by law from abolishing. The City Manager is authorized to make such rearrangements and reorganizations of positions and personnel services funds between the several departments, including funds named therein, as may best meet the uses and interests of the city.

No person shall acquire any vested interest in any supplement payable under this section beyond those actually paid.

Section 4:- That all payments from the appropriations provided for in this ordinance, including those from balances remaining on June 30, 2014, to the credit of appropriations for works, improvements or other objects which have not been completed or abandoned, except those works, improvements or other objects funded by Federal, State, or other organizational grants which are hereby encumbered, shall be made at such time as the City Manager may direct, unless otherwise specified by the Council. The City Manager is hereby authorized to apply for grants and awards during the fiscal year provided that adequate matching funds are in the budget; all such grants are subject to the appropriation of the Council once awarded.

Section 5:- That within several departments, funds and activities, there are hereby appropriated sufficient amounts to cover the operation of all Internal Service Funds, including the Healthcare Fund and Fleet Management. Charges for services assessed against said departments, funds and activities by the Internal Service Funds shall be accumulated in the appropriate internal service fund and expended to cover the operating costs of such funds as provided in the annual budget.

Any unexpended balances in the amounts appropriated for the Healthcare Fund at the close of business on June



30, 2014 shall not revert to the surplus of the Healthcare Fund, but shall be carried forward on the books of the Director of Finance and be available for expenditure in the succeeding year.

Section 6:- That the various amounts appropriated by this ordinance for the several groups, as set forth in the annual budget, as amended, are to be expended for the purposes designated by said groups, provided, however, that the City Manager or a designee may authorize the transfers between account groups within departments, funds or activities of the city and a record of such transfers shall be maintained by the Director of Finance.

The City Manager or designee is authorized to transfer from any department, fund or activity which has an excess of funds appropriated for its use of the balance of the fiscal year to any department, activity or fund all or any part of such excess, or to cause such transfers to be made, a record of all such transfers shall be maintained by the Director of Finance.

Any unexpended balances in the amounts appropriated for the Department of Public Works Street Construction and Maintenance Projects, Tourism Infrastructure Repair, and the Norfolk Consortium at the close of business on June 30, 2014 shall not revert to the surplus of the General Fund, but shall be carried forward on the books of the Director of Finance and be available for expenditure in the succeeding year.

The City Manager shall provide to the City Council a mid-year budget update. Such mid-year budget update shall report the projected revenue and expenditure estimates for the entire fiscal year, receipt of unbudgeted revenues, and other major changes to the adopted budget.

There is hereby reserved in the General Fund Balance up to the amount of Forty Two Million Three Hundred Thirty Two Thousand Five Hundred Ninety One Dollars (\$42,332,591.00) for the Unassigned General Fund Balance Reserve.

There is hereby reserved in the General Fund Balance the amount of Three Million Dollars (\$3,000,000.00) for the Risk Management Reserve.

There is hereby reserved in the General Fund Balance the amount of Three Million Dollars (\$3,000,000.00) for the Economic Downturn and Leveling Reserve.

There is hereby reserved in the General Fund Balance up to the amount of Three Million Seventeen Thousand Nine Hundred Sixty One Dollars (\$3,017,961.00) in the revolving fund for strategic land acquisitions to be expended for future land acquisitions. The City Manager is authorized to accept future deposits made to the Land Acquisition Fund during the fiscal year. Such deposits are hereby appropriated and authorized to be expended for future land acquisitions. Any unobligated appropriation in the Land Acquisition/Revolving Fund at the close of the fiscal year ending on June 30, 2014, is hereby reserved for the Land Acquisition/Revolving Fund to be expended for future strategic land acquisitions.

There is hereby appropriated and authorized for expenditure from the Land Acquisition/Revolving Fund Balance the amount of Three Hundred Thousand Dollars (\$300,000.00) for the Capital Improvement Program.

There is hereby appropriated and authorized for expenditure the revenues from the flat tax of Two Dollars (\$2.00) per room for each night of lodging at any hotel, if and when received, to: (1) Visit Norfolk (Norfolk Convention and Visitor Bureau) for visitor promotion and advertising for conventions and tourism; and (2) the Norfolk Consortium. Visit Norfolk shall be allocated fifty percent (50%) of the revenues collected each month from the flat tax of Two Dollars (\$2.00) per room of each night of lodging at any hotel during the fiscal year and the remaining fifty percent (50%) of the revenues collected each month shall be allocated and is authorized for expenditure by the Norfolk Consortium.

There is hereby appropriated and authorized to be transferred One Million Four Hundred Thirty Three Thousand Three Hundred Sixty One Dollars (\$1,433,361.00) of the Parking General Reserve Fund to the Rate Stabilization Fund. Furthermore, there is hereby

appropriated and authorized to be expended from the Parking Facilities Fund Rate Stabilization Fund One Million Four Hundred Thirty Three Thousand Three Hundred Sixty One Dollars (\$1,433,361.00) for operations of the Parking Facilities Fund. Such deposits are hereby appropriated and authorized to be expended for operations of the Parking Facilities Fund.

Unless otherwise specified by any other provision of local, state or federal law, operating funds appropriated to Norfolk Public Schools that have not been expended or contractually obligated at the end of the fiscal year are deemed local dollars and shall revert to the city for re-appropriation by City Council.

There is hereby appropriated and authorized for expenditure the revenues from the Two cent (\$0.02) real estate tax increase for the School Construction, Technology and Infrastructure Program. The City Manager is hereby authorized to expend and reserve the School Construction, Technology and Infrastructure Program supported by the dedicated Two cent (\$0.02) real estate tax increase to support the needs of Norfolk Public Schools. Any unexpended balances in the amounts appropriated shall not revert to the surplus of the General Fund, but solely be dedicated to the School Construction, Technology and Infrastructure Program and shall be carried forward on the books of the Director of Finance and appropriated and available for expenditure in the succeeding year.

There is hereby authorized, in accordance with guidelines established by the City Manager, the execution of warrants for the disbursement of any cash in banks credited to the City's Corporate Account to meet any properly authorized and approved payment chargeable to any account of the city.

Section 7:- That the FY 2015 Annual Plan, (Consolidated Plan Fiscal Years 2012-2016) for the Community Development Block Grant Program, HOME Investment Partnership Program and Emergency Solutions Grant Program, having been reviewed and found to be in the best interests of the city, is hereby approved.

Section 8:- That, if and when made available from the U.S. Department of Housing and Urban Development

(HUD), the sum of up to Four Million One Hundred Thirty Six Thousand Eight Hundred Twenty Four Dollars (\$4,136,824.00) is hereby appropriated and authorized for expenditure for the Community Development Block Grant Program (2014-2015) from the Community Development Block Grant and when such funds are realized as earnings from the Revolving Loan Fund.

Section 9:- That, if and when made available from the U.S. Department of Housing and Urban Development (HUD), the sum up to Nine Hundred Fifty Eight Thousand Six Hundred Thirty Nine Dollars (\$958,639.00) is hereby appropriated and authorized for expenditure for the HOME Investment Partnership Program (2014-2015) from the HOME Investment Partnership Program Grant.

Section 10:- That, if and when made available from the U.S. Department of Housing and Urban Development (HUD), the sum up to Three Hundred Twenty Six Thousand Four Hundred Thirty Four Dollars (\$326,434.00) is hereby appropriated and authorized for expenditure for the Emergency Solutions Program (2014-2015) from the Emergency Solutions Grant.

Section 11:- That the City Manager is designated as the certifying officer and authorized representative of the City of Norfolk and shall provide the assurance required by the provisions of the Housing and Community Development Act of 1974, as amended, and the regulations adopted pursuant to such Act.

Section 12:- That the City Manager is further authorized and directed to give to the U.S. Department of Housing and Urban Development (HUD) and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, documents and other materials which are related to the grant funds and is further authorized and directed to do all things necessary and proper to apply for, accept, receive and modify current and prior year grant funds to carry out the program.

Section 13:- That the Council hereby finds and determines that based on current conditions in the municipal bond market, it is in the city's best interest to issue short-term general obligation bonds or notes (the "Short-Term Equipment GOBs") to finance acquiring

various items of personal property, including but not limited to computers, ambulances, fire trucks, refuse trucks and other vehicles (the "Equipment") appropriate and necessary for the efficient operation of the city. "Short-term" means a term to maturity of ten (10) or fewer years. The amount of any new Equipment to be acquired through the issuance of Short-Term Equipment GOBs shall not exceed Five Million Dollars (\$5,000,000.00).

No Short-Term Equipment GOBs may be issued before the Council provides authorization therefor following notice and a public hearing held under Virginia Code Section 15.1-2606 of the Public Finance Act of 1991.

That, if prior to issuing Short-Term Equipment GOBs to finance all or any portion of the Equipment, the City Manager, in consultation with the Director of Finance, determines that it is advisable to finance the acquisition in an alternative manner, the City Manager, without further approval of Council as to documentation or otherwise (unless otherwise required by law), is hereby authorized to execute and deliver on behalf of the city nongeneral obligation bonds, notes, term loan agreements, a master equipment lease agreement or other similar financing agreement (the "Alternative Short-Term Equipment Financing"), to execute and deliver such instruments, agreements, documents or certificates and to do and perform such things and acts, as the City Manager shall deem necessary or appropriate to carry out the transactions relating to the Alternative Short-Term Equipment Financing authorized by this ordinance, including to solicit and accept proposals to provide Alternative Short-Term Equipment Financing that the City Manager determines to be in the city's best interest and all of the foregoing, previously done or performed by such officers or agents of the city, are hereby in all respects approved, ratified and confirmed.

Should the City Manager determine that it is in the city's best interest to enter into Alternative Short-Term Equipment Financing, the Alternative Short-Term Equipment Financing shall bear interest at a rate not exceeding Six and a Half Percent (6.5%), shall have a final term to maturity not in excess of ten (10) years and shall not exceed Five Million Dollars (\$5,000,000.00). The obligation of the city to make payments under any Alternative Short-Term Equipment

Financing is subject to appropriation each year by the Council and nothing in this ordinance or the Alternative Short-Term Equipment financing shall constitute a debt or pledge of the faith and credit of the city.

The payment of FY 2015 debt service on prior Short-Term Equipment GOBs and any FY 2015 Alternative Short-Term Equipment Financing is part of the Debt Service Appropriation.

This ordinance represents a declaration of "official intent" under Treasury Regulations Section 1.150-2.

Section 14:- That, effective July 1, 2014, a one-time supplement of Three Hundred Dollars (\$300.00) shall be payable to retirees receiving retirement benefits as of June 30, 2013, with fifteen (15) or more years of creditable service or disability retirement who receive less than Fifteen Thousand Seven Hundred Thirty Dollars (\$15,730.00) in annual retirement benefits and workers' compensation benefits. In the event an eligible retiree dies on or before July 31, 2014, the supplement shall not be paid to the surviving spouse nor dependents. Funds for the supplement are hereby appropriated in the FY 2015 Operating Budget.

Section 15:- That Section 24-205 of the Norfolk City Code, 1979, is hereby amended and reordained to maintain the average residential assessment to the value in the July 1, 2012 real estate land book and to clarify that tax deferrals qualified under Section 24-209 are not subject to proration to read as follows:

Sec. 24-205. Definitions.

For the purpose of this division, permanently and totally disabled shall be as defined in § 58.1-3217 and determined as set forth in § 58.1-3213(D) of the Code of Virginia, 1950, as amended.

*"Average residential tax"* is the average residential assessment in the July 1, 2012 real estate land book multiplied by the applicable real estate tax rate for the fiscal year for which relief is sought.

*"Real estate tax relief amount"* is the

annual amount established by city council budgeted for the purpose of providing real estate tax deferrals under section 24-209.1 of the Norfolk City Code, after providing the real estate tax exemptions for disabled veterans pursuant to Code of Virginia § 58.1-3219.5 and the amount of exemptions and deferrals provided under section 24-209 of the Norfolk City Code.

Section 16:- That Section 24-206 of the Norfolk City Code is hereby amended and reordained to clarify that tax deferrals qualified under Section 24-209 are not subject to proration to read as follows:

Sec. 24-206. Administration.

Exemptions and deferrals under this division shall be administered by the city manager or his/her authorized designee, herein referred to as the "administrator," according to the general provisions contained in this division. The administrator is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations, including the requirement of answers under oath, as may be reasonably necessary to determine qualifications for exemption or deferral. The administrator may require the production of certified tax returns, appraisal reports, and other certifications to establish income, financial worth or disability.

In any fiscal year, the total amount of deferrals provided under this division shall not exceed the real estate tax relief amount as defined in section 24-205 of the Norfolk City Code.

In any fiscal year in which the real estate tax relief amount is not sufficient to afford the total amount of all allowable deferrals qualified for under section 24-209.1 of the Norfolk City Code, the amount of deferral provided to each person qualifying shall be computed as a fraction of that allowable under the provisions of this division. The numerator of the fraction shall be the real estate tax relief amount and the denominator of the



fraction shall be the total amount of all allowable deferrals qualified for under the provisions of section 24-209.1 of the Norfolk City Code.

Section 17:- That Section 24-208 of the Norfolk City Code is hereby amended and reordained to allow acceptance of applications and affidavits by participants in the program in the previous tax year received after the first day of June due to demonstrated hardship to read as follows:

Sec. 24-208. Annual affidavit required.

Annually, not prior to the first day of February nor later than the first day of June of the taxable year, the person or persons claiming an exemption or deferral must file a real estate tax relief application and affidavit with the administrator. Such application and affidavit shall set forth, in a manner prescribed by the administrator, the location, assessed value of the property and the names of the related persons occupying the dwelling for which exemption or deferral is claimed, their gross combined income, and their net financial worth.

The administrator is authorized to accept filing of applications and affidavits submitted by participants in the program in the previous tax year after the first day of June of the tax year for which exemption or deferral is sought due to demonstrated hardship.

Section 18:- That Section 24-209 of the Norfolk City Code is hereby amended and reordained to clarify that tax deferrals qualified under Section 24-209 are not subject to proration to read as follows:

Sec. 24-209. Schedule of exemption.

Where the person or persons claiming exemption conforms to the standards and does not exceed the limitations contained in this division, the tax exemption shall be as shown on the following schedule, except that the amount of tax exempted shall not exceed the

average residential tax amount:

Combined Income	% of Tax Exempted
0-28,611.00	100%

Any or all remaining real estate tax in excess of the amount entitled to exemption may be deferred.

Section 19:- That Section 24-209.2 of the Norfolk City Code is hereby amended and reordained to remove interest on deferred taxes to read as follows:

Sec. 24-209.2. Deferral; taxes to  
be a lien on the  
property.

In the event of a deferral of real estate taxes, the accumulated amount of taxes deferred shall be paid without penalty or interest to the city by the vendor upon the sale of the dwelling or from the estate of the decedent within one year after the death of the last owner thereof who qualified for tax deferral by the provisions of this section. Such taxes shall constitute a lien upon the real estate as if it had been assessed without regard to the deferral permitted by this section. Any such lien shall, to the extent that it exceeds in the aggregate ten percent (10%) of the price for which such real estate may be sold, be inferior to all other liens of record.

Section 20:- That Section 24-309 of the Norfolk City Code, 1979, is hereby amended and reordained so as to increase the tax on each cigarette to forty (40) mils to read as follows:

Sec. 24-309. Levied; amount.

There is hereby levied and imposed by the city, upon each and every sale of cigarettes, a tax equivalent to forty (40) mils per cigarette sold within the city, the amount of such tax to be paid by the seller, if not previously paid, in the manner and at the time provided for in this article. There shall be

a penalty for late payment of the tax imposed herein in the amount of ten percent (10%) per month, and interest in the amount of three-quarters of one percent (0.75%) per month, upon any tax found to be overdue and unpaid.

Section 21:- That Section 33-2 of the Norfolk City Code 1979 is hereby amended and reordained so as to read as follows:

Sec. 33-2.           Local academy court  
cost.

The clerks of the Norfolk Circuit Court, General District Court and Juvenile and Domestic Relations Court are hereby authorized to collect a fee of five dollars (\$5.00) from each defendant convicted of a felony, misdemeanor or traffic charge written under either the City Code or the Code of Virginia to be used to support the Norfolk Police Academy and Training Division as permitted by state law. This fee shall be referred to as the "local academy court cost."

Section 22:- That subsections (a), (b), (h) and (j) of Section 37-103.1 of the Norfolk City Code, 1979, are hereby amended and reordained to amend member's mandatory retirement contributions to read as follows:

Sec. 37-103.1   Members' mandatory  
contributions.

(a) A person who becomes a member on or after October 5, 2010, shall be required to pay member contributions on a salary reduction basis in accordance with section 414(h) of the Internal Revenue Code, as amended, in the amount of five percent (5%) of earnable compensation. A member with a break in service who returns after October 5, 2010 shall be required to make the aforesaid five percent (5%) contribution through salary reduction. For the purpose of this contribution, for the city manager, earnable compensation shall not include direct employer contributions to his/her retirement savings plan and car allowances.

Beginning on January 8, 2015, all members

hired prior to October 5, 2010, shall be required to pay member contributions on a salary reduction basis in accordance with section 414(h) of the Internal Revenue Code, as amended, in the amount of five percent (5%) of earnable compensation, with the exception of city council members initially elected prior to October 5, 2010 who shall not be required to pay the member contribution. For the purpose of this contribution, for the city attorney, earnable compensation shall not include Section 457 deferred compensation payments and car allowances.

(b) Each member shall contribute five percent (5%) of his earnable compensation for each pay period during which he receives compensation to the maximum number of years of creditable service as provided in section 37-61. The city shall deduct the contribution payable by the member. Every employee accepting employment with the city on or after October 5, 2010, shall be deemed to consent and agree to the deductions from his compensation required by this section and the use of the deductions as provided in this section.

Beginning on January 8, 2015, all members, with the exception of city council members initially elected prior to October 5, 2010 who shall not be required to pay the member contribution, hired prior to October 5, 2010, shall be deemed to consent and agree to the deduction from their compensation as required by this section and the use of deductions as provided in this section.

(h) Beginning on July 1, 2014, in the event of death or departure prior to retirement or vesting, mandatory member contributions made on or after October 5, 2010, shall be refunded with interest on the accumulated contributions of the member. Annual interest is limited to a maximum of four percent (4%) and a minimum of zero percent (0%). The board shall determine the interest rate. Interest shall accrue on any

contribution beginning at the end of the fiscal year in which the contribution was made.

(j) Beginning on January 8, 2015, Section 37-103.1 shall apply to a member who was a Norfolk Community Services Board employee on June 30, 2012 and became a city employee on July 1, 2012.

Section 23:- That Section 41-21 of the Norfolk City Code, 1979, is hereby amended and reordained so as to increase certain collection and disposal of refuse fees and shall read as follows:

Sec. 41-21. Fees for the collection  
and disposal of refuse.

The following maximum fees are hereby established for the collection and disposal of refuse (garbage and bulky waste) by city forces:

(a) Three hundred thirty six dollars and twelve cents (\$336.12) per year for each single-family dwelling unit or dwelling units in multiple residences not exceeding four (4) families or dwelling units.

(b) One thousand eight hundred nineteen dollars and sixty eight cents (\$1,819.68) per year for business units, including retail, wholesale and commercial units, receiving collection service five (5) days per week.

(c) Seven hundred thirty four dollars and sixteen cents (\$734.16) per year for each business unit including retail, wholesale and commercial units receiving once weekly refuse collection service from the city.

(d) If business and family units are combined on a single property, the charge shall be seven hundred thirty four dollars and sixteen cents (\$734.16) per year for each business unit plus three hundred thirty six dollars and twelve cents (\$336.12) for each dwelling unit.

(e) Five hundred sixty three dollars and

twenty eight cents (\$563.28) per year for each container serving multiple residences exceeding four (4) families.

(f) Additional containers, up to the maximum permissible, will be supplied for each dwelling or business unit at the following fee:

90-gallon. Sixty dollars (\$60.00) per additional container per year for once-a-week collection service for residential units up to four (4) units. One hundred twenty dollars (\$120.00) per additional container per year for once-a-week collection service for multiple residential and business units. Three hundred dollars (\$300.00) per additional container per year for five-times-a-week collection service.

65-gallon. Forty two dollars (\$42.00) per additional container per year for once-a-week collection service for residential units up to four (4) units. Eighty four dollars (\$84.00) per additional container per year for once-a-week-collection service for multiple residential and business units. Two hundred ten dollars (\$210.00) per additional container per year for five-times-a-week collection service.

30-gallon. Forty two dollars (\$42.00) per additional container per year for once-a-week collection service for residential units up to four (4) units. Eighty four (\$84.00) per additional container per year for once-a-week-collection service for multiple residential and business units. Two hundred ten dollars (\$210.00) per additional container per year for five-times-a-week collection service.

(g) Thirty nine dollars forty eight cents (\$39.48) per year for each recycling container for each business unit including retail, wholesale and commercial units receiving once-weekly refuse collection service from the city and biweekly recycling service.

All payments for this service shall be the responsibility of the person(s) listed as

responsible for payment of the public-service bill for that address. This fee shall be paid monthly and shall be placed on the bill for water service. If the monies received in payment of the water bill and the solid-waste-collection fee are not sufficient to pay both in full including any penalties or interest, the water bill and any penalties or interest attributed thereto shall be paid first out of the monies available. The fee may be prorated for less than a full year's service. Refunds will not be provided for vacant units and for services not utilized. Written notification must be made to the superintendent of waste management with a copy of the applicable service agreement prior to discontinuing city solid waste collection services and commencing with contracted services. Solid waste collection services must be provided by either the city or a private collector.

Section 24:- That the Norfolk City Code, 1979, is hereby amended and reordained by adding one new section thereto numbered and reading as follows:

Sec. 41.1-25. Virginia stormwater  
management program fees.

The following fees are assessed to an applicant applying for coverage under the Virginia Stormwater Management Program (VSMP) Authority Permit. Fifty percent (50%) of the total fees shall be due at the time that a stormwater management plan is submitted to the city for review. The remaining total fee balance shall be paid by the applicant prior to the issuance of the coverage under the VSMP Authority Permit.

(a) VSMP Authority Permit Issuance Fee:

When a site or sites are purchased for development within a previously-permitted common plan of development or sale, the applicant shall pay fees in accordance with the disturbed acreage of the site or sites according to the following table:



Fee Type	Permit Fee
Single Family Residential Home with land disturbance greater than 1 acre, but less than 5 acres.	\$290
Small Construction Activity / Land Clearing within common plan of development or sale with land disturbance greater than 2500 square feet, but less than 1 acre.	\$290
Small Construction Activity / Land Clearing with land disturbance greater than 1 acre, but less than 5 acres.	\$2,700
Large Construction Activity / Land Clearing with land disturbance greater than 5 acres, but less than 10 acres.	\$3,400
Large Construction Activity / Land Clearing with land disturbance greater than 10 acres, but less than 50 acres.	\$4,500
Large Construction Activity / Land Clearing with land disturbance greater than 50 acres, but less than 100 acres.	\$6,100
Large Construction Activity / Land Clearing with land disturbance greater than 100 acres.	\$9,600

The city shall remit the following administrative portion of the VSMP Authority Permit Issuance Fees, based on land disturbance associated with the site, to the Department of Environmental Quality (DEQ), on a routine basis:

Fee Type	DEQ Fee
Single Family Residential Home with land disturbance greater than 1 acre, but less than 5 acres.	\$0
Small Construction Activity / Land Clearing within common plan of development or sale with land disturbance greater than 2500 square feet, but less than 1 acre.	\$81
Small Construction Activity / Land Clearing with land disturbance greater than 1 acre, but less than 5 acres.	\$756

Large Construction Activity / Land Clearing with land disturbance greater than 5 acres, but less than 10 acres.	\$952
Large Construction Activity / Land Clearing with land disturbance greater than 10 acres, but less than 50 acres.	\$1,260
Large Construction Activity / Land Clearing with land disturbance greater than 50 acres, but less than 100 acres.	\$1,708
Large Construction Activity / Land Clearing with land disturbance greater than 100 acres.	\$2,688

(b) VSMP Authority permit modification or transfer fee:

The following fees shall apply to modifications or transfers of individual VSMP Authority permits. If the VSMP Authority Permit modifications result in changes to the storm water management plans that require additional review by the city, such reviews shall be subject to the fees set out in this section. The fee assessed shall be based on the total disturbed acreage of the site. In addition to the VSMP Authority Permit modification fee, modifications resulting in an increase in total disturbed acreage shall be assessed the difference in the initial VSMP Authority permit fee paid and the VSMP Authority permit fee that would have applied for the total disturbed acreage.

Fee Type	Permit Fee
Single Family Residential Home with land disturbance greater than 1 acre, but less than 5 acres.	\$20
Small Construction Activity / Land Clearing within common plan of development or sale with land disturbance greater than 2500 square feet, but less than 1 acre.	\$20
Small Construction Activity / Land Clearing with land disturbance greater than 1 acre, but less than 5 acres.	\$200

Large Construction Activity / Land Clearing with land disturbance greater than 5 acres, but less than 10 acres.	\$250
Large Construction Activity / Land Clearing with land disturbance greater than 10 acres, but less than 50 acres.	\$300
Large Construction Activity / Land Clearing with land disturbance greater than 50 acres, but less than 100 acres.	\$450
Large Construction Activity / Land Clearing with land disturbance greater than 100 acres.	\$700

(c) VSMP Authority Permit Annual Maintenance Fee:

The following annual permit maintenance fees shall apply to each VSMP Authority permit identified below, including expired permits that have been administratively continued. With respect to the VSMP Authority permit activities, these fees shall apply until the VSMP Authority permit coverage is terminated. The following annual maintenance fees shall be assessed on the permit anniversary date and based on the land disturbance activity of the site:

Fee Type	Permit Fee
Single Family Residential Home with land disturbance greater than 1 acre, but less than 5 acres.	\$50
Small Construction Activity / Land Clearing within common plan of development or sale with land disturbance greater than 2500 square feet, but less than 1 acre.	\$50
Small Construction Activity / Land Clearing with land disturbance greater than 1 acre, but less than 5 acres.	\$400
Large Construction Activity / Land Clearing with land disturbance greater than 5 acres, but less than 10 acres.	\$500
Large Construction Activity / Land Clearing with land disturbance greater than 10 acres, but less than 50 acres.	\$650

Large Construction Activity / Land Clearing with land disturbance greater than 50 acres, but less than 100 acres.	\$900
Large Construction Activity / Land Clearing with land disturbance greater than 100 acres.	\$1,400

(d) Virginia Stormwater Management Program Fund:

The fees collected for the VSMP Authority permit shall be deposited in the stormwater utility fund and shall be used exclusively to provide services and facilities related to the administration and implementation of the VSMP Authority permit compliance. The deposited monies shall be used for the following expenditures:

- (1) Costs associated with the administration and implementation of the VSMP Authority permit.
- (2) Costs associated with erosion and sediment control and storm water management site plan review.
- (3) Costs associated with erosion and sediment control, construction and post-construction storm water best management practice and VSMP Authority permit compliance inspections.
- (4) Administrative, accounting and overhead costs related to tracking and reporting the VSMP.

Section 25:- That there is hereby a set-aside from General Fund revenues of up to Five Million Dollars (\$5,000,000.00) to be the amount by which revenue is reduced for the purpose of providing real estate tax exemptions and deferrals for the elderly and disabled under Chapter 24, Article IV, Division 2 of the Norfolk City Code, 1979, and real estate tax exemptions for disabled veterans pursuant to Code of Virginia, Section 58.1-3219.5.

The Department of Human Services, as designated by the City Manager, shall administer this program.

Section 26:- That the provisions of this ordinance are hereby declared to be severable. If any part, section provision, sentence, clause or phrase, or the application thereof to any person or circumstance, is adjudged to be unconstitutional or invalid for any reason, the remainder of the ordinance shall remain in full force and effect and its validity shall not be impaired, it being the legislative intent now hereby declared that the ordinance would have been adopted even if such invalid matter had not been included or if such invalid application had not been made.

Section 27:- That this ordinance shall be in effect from and after July 1, 2014.